

Review of the FY14-FY16 Pennsylvania State Clean Diesel Grant Program Cooperative Agreement
Pennsylvania Department of Environmental Protection
EPA Region III, Air Protection Division
Advanced Monitoring under the "Diesel Emission Reduction Grant Program"

As required by the Environmental Protection Agency 's (EPAs) policy on post award management of cooperative agreements, the EPA Region III Air Protection Division (APD) completed a review on the status of the grantee's performance in meeting the grant commitments found in the application's workplan. The grant covers project period October 1, 2014-September 30, 2017. EPA Project Officer Alison Riley completed this on-site review on March 21, 2017. Carol Febbo attended the review via phone.

Part. 1 Introduction, Background & Methodology

Recipient:	Pennsylvania Department of Environmental Protection		
Grant Number:	DS-96332301-2		
EPA Project Officer:	Alison Riley	Award Amount:	\$ 519,824.00
EPA Technical Lead:	Alison Riley	Match Amount:	\$ -
		Total Award:	\$ 519,824.00
Project Period Begin:	10/1/2014		
Project Period End:	9/30/2017		
Budget Period Begin:	10/1/2014		
Budget Period End:	9/30/2017		
Date of Review	3/21/2017	Date of Report	3/30/2017
		Type	<div style="display: flex; align-items: center;"> <div style="text-align: center; margin-right: 10px;"> on-site XX </div> <div style="border: 1px solid black; width: 150px; height: 1.2em; margin-left: 10px;"></div> </div>

Brief Description of Project

This cooperative agreement will enable PADEP to award reimbursement grants to eligible applicants to retrofit, repower, or replace on-road and off-road vehicles and equipment. PADEP has a competitive grant reimbursement program that scores and selects eligible applicants for funding.

Project issues or delays

Due to the FY15 Pennsylvania budget impasse, the PADEP was unable to make awards to the 3 selected applicants from the FY14 RFA process. In addition, also due to the budget impasse, PADEP was unable to advertise the FY 15 availability of funds. The State budget was finalized in FY16 and an RFP was issued which closed Dec. 28th, 2016. Only two applications were received through this competition and only one of those was deemed eligible. PADEP is currently working to complete an award for \$122,920, leaving \$396,904 in uncommitted funds.

PADEP expects to reopen their State competition in April, with a May closing date. They will be doing robust outreach to solicit a larger number of high-quality applications. They plan to request an extension to complete the grant.

Outline of Workplan Commitments/Tasks

The recipient prepared a work plan which outlines the project objective. In order to achieve this objective, the recipient identified the following specific tasks in the work plan:

Task 1	Complete award for one project selected through competition that closed Dec. 28
Task 2	Reopen State competition to solicit additional projects
Task 3	Conduct robust outreach to potential applicants to improve the pool of high-quality applications
Task 4	Select Grantees (evaluation applications, make grantee selections, review with mgt, notify grantees and issue grants)
Task 5	Purchase equipment (purchase equipment, submit invoices, scrappage documentation, EPA approval, sub-grantee reimbursement)
Task 6	Draw down funds
Task 7	Close grants
Task 8	Reporting

Part II. Results of Review (Success and Findings)

The review determined that the five core areas are in accordance with EPA Order 5700.6A2 requirements

1. Workplan Accomplishments and Progress

List workplan/application tasks as outlined in section 1, compare to actual work progress, and identify areas of concern. Provide a summary of each task and current status:

Task	Status	Comments
------	--------	----------

Task 1: Complete award for one project selected through competition that closed Dec. 28	In process	DEP selected 3 awardees under their FY14 RFA, but as a result of the budget impasse, no awards were made. When the competition was reopened in 2016, one selection was made. The state is currently working to award funds to this project.
Task 2: Reopen State competition to solicit additional projects	In process	Due to the budget impasse, PADEP was unable to award the FY14 grants to the selected applicants nor were they able to announce the FY15 availability of funding. However, a competition was held in FY16 and one award is currently pending. The competition will be reopened in April and PADEP expects to award the remaining funds after that is complete.
Task 3: Conduct robust outreach to potential applicants to improve the pool of high-quality applications	In process	PADEP is preparing an outreach strategy to improve the pool of high quality applications for the next competition. This includes contacting and recruiting assistance from partner organizations to notify potential applicants of this opportunity.
Task 4: Select Grantees (evaluation applications, make grantee selections, review with mgt, notify grantees and issue grants)	Not completed for FY14 and FY15, partially completed for FY16	FY14 grantees were selected, but the award agreements with the 3 selected applicants were not finalized, due to the budget impasse. In addition, no grantees were selected for the FY15 funds because the PADEP could not publish the availability of FY15 funds. In FY16, another competition was held and one project was selected. Another competition is planned for April/May to award the remaining funds.
Task 5: Purchase equipment (purchase equipment, submit invoices, scrappage documentation, EPA approval, sub-grantee reimbursement)	Not completed for FY14, FY15 or FY16	It is anticipated that the purchase for the project selected under the 2016 will occur in the next few months. Selections made under the upcoming competition should be completed quickly but may require an extension to fully execute.
Task 6: Draw down funds	Not completed for FY14, FY15 or FY16	One drawdown for the award that is currently underway (Amounting to \$122,920) is expected in the next few months. The remaining funds are expected to be awarded under the next round of competition, but should be drawn down relatively quickly thereafter. Nevertheless, PADEP expects to request an extension to ensure the success of the project.

Task 7: Close grants	Not completed for FY14 or FY15	FY14 grantees were selected, but the award agreements with the 3 selected applicants were not finalized, due to the budget impasse. In addition, no grantees were selected for the FY15 funds because the PADEP could not publish the availability of FY15 funds. Now that PADEP is able to solicit project applications, it will need to move quickly to process awards, make payments and draw down funds in order to successfully close out the grant.
Task 8: Reporting	Completed and ongoing, as required	PADEP is meeting required reporting commitments as described in the grant award.

2. Equipment

1. Did the recipient purchase equipment as planned in the agreement and was it used as planned?

Comments:	No.
------------------	-----

2. Are there any equipment costs not included in the original award?

Comments:	No.
------------------	-----

3. Finances and Available Funding

Amount of EPA funds awarded	\$ 519,824.00
Amount of EPA funds paid	\$ -
Remaining Balance	\$ 519,824.00

Is the payment history consistent with the progress to date?	Yes.
--	------

Explain if No-	PADEP is not taking admin costs, so all fees are for the project. Since this is a rebate program, the costs will be incurred at the end of the grant or once the individual projects are completed, inspected and invoiced.
----------------	---

Is there sufficient funding to complete the project?	Yes.
--	------

Explain if No-	
----------------	--

4. Programmatic Terms and Conditions

Are the programmatic terms and conditions of the grant being met?

No. Due to the Pennsylvania budget impasse, the PADEP was unable to solicit projects and make awards until the end of 2016. While the State is in the process of making one award and expects to make additional awards in the next few months, there are still no drawdowns to date. EPA will work closely with PADEP to ensure that awards are complete and drawdowns made as soon as possible. It is anticipated the State will need an extension to complete all activities associated with this grant.

5. Programmatic Statutory and Regulatory Requirements

Are the statutory programmatic terms and conditions of the grant being met?

Yes, all programmatic statutory and regulatory requirements are being met.

6. Project Officer Suggestions and Recommendations:

1. With regard to outreach to potential applicants, EPA advised PADEP to cast as wide a net as possible, as soon as possible, to maximize interest in the program and ensure a broader pool of high-quality applications. This includes recruiting partner organizations such as MPOs, nonprofits and academic groups, localities, Clean Cities, quasi-governmental groups, etc. MARAMA was explicitly mentioned as a valuable partner in advertising and promoting the program.
2. EPA encourages PADEP to add staff resources if possible. PADEP stated that their grants center is able to offer more assistance than in the past which should help to expedite awards. In the future, they hope to hire additional staff using VW funds.
3. EPA suggested using a rolling application process rather than a standard RFP process, which PADEP has deemed impractical for the current grant period. However, they will consider doing this for future grants.
4. EPA stresses the importance of timely drawdowns and expediting the next RFP.

7. Recipient Recommendations and Suggestions

1. PADEP is using lessons learned from this grant and will apply them to future grants and work on the VW settlement.

2. PADEP will likely request an extension and would like guidance on how to prepare for that eventuality. In addition, PADEP would like guidance on how spending of grant funds will work if there is an extension to the current grant that overlaps with the next round of State grant funding.
3. PADEP would like guidance on drawing down matching funds versus grant funds.
4. PADEP will keep EPA apprised of all developments in the grant in a timely manner and will copy the Project Officer on emails to partner groups as they engage in outreach for the next competition.

Part III. Resolution and Timing

Tell the recipient when the corrective action plan is due (if any) and where to send it.

1. Notify EPA of any developments with the next RFP solicitation in a timely fashion.
2. Provide a list of selected applicants to EPA after selections/awards are completed.
3. Complete drawdown for the newly selected project from the 2016 competition as soon as possible.
4. Per the Subaward policy (GPI-16-01), submit the subaward agreements to EPA for review in advance of finalizing contract.

Part IV. EPA Contact Information

Name:	Alison Riley
Phone:	215-814-2095
Email:	Riley.Alison@epa.gov

Part V. Grantee Contact Information

Name:	Samantha Harmon
Phone:	717-705-7686
Email:	saharmon@pa.gov